

# COVINGTON & BURLING

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February 28, 2003

## VIA ELECTRONIC FILING

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Oral ex parte, CC Docket No. 99-273

Dear Ms. Dortch:

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed to inform you that on February 27, 2003, Lois Pines of InfoNXX, Inc. and the undersigned, its counsel, met with Lisa Zaina, Senior Legal Advisor and Michael Sanders of Commissioner Adelstein's office to discuss issues raised in the above-referenced proceeding. The parties discussed the various proposals that have been submitted to the Commission to promote retail DA competition, including the use of 555 numbers as a means for all DA providers to deliver DA services. The parties explained that the activation of 555 numbers, coupled with the phasing-out of 411 and 555-1212, is the best option to ensure robust competition in the wireline retail directory assistance market.

In addition, the parties emphasized that recent experience in the U.K. provides evidence of the consumer benefits and investment potential from unleashing competition in the retail DA market. More than a dozen companies have responded to the market-opening steps taken by Oftel in December 2002 and already consumers are seeing competition based on price and quality for their DA traffic. The parties explained that the policies in the U.K. build on results of other European countries including Germany, Ireland, Sweden, Norway and Spain, all of which have acted to promote retail DA competition by phasing out the default numbers, and they have seen consumers readily adapt to new dial strings.

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The parties emphasized that the unmistakable lesson from these countries, beyond the important notion that DA competition will attract impressive investment even in a down economy, is that removing the incumbent default code, establishing number parity, providing for billing and collection, and requiring access to incumbent data and network capability at forward-looking costs is the only way to create effective competition.

The attached presentation was distributed at the meeting. Please do not hesitate to contact me with any questions concerning this matter.

Sincerely,

A handwritten signature in cursive script, reading "Gerard J. Waldron".

Gerard J. Waldron

cc: Ms. Lisa Zaina  
Mr. Michael Sanders  
Ms. Michelle Carey  
Mr. Greg Cooke  
Mr. Rodney McDonald  
Ms. Louise Klees-Wallace

**FCC Retail DA Competition Proceeding  
CC Docket No. 99-273**

**InfoNXX, Inc.**

**February 27, 2003**

# FCC Retail DA Proceeding

## Who Is InfoNXX?

- Founded in 1991, InfoNXX is the leading competitive directory assistance provider for wireless and competitive networks.
  - InfoNXX, a privately held company with over 6,000 employees, is headquartered in Bethlehem, Pennsylvania with call centers throughout the United States in Arizona, California, North Carolina, and Texas.
  - InfoNXX recently entered the U.K. DA market which was opened to competition in December 2002.
- InfoNXX uses live operators to provide higher quality service and has pioneered many enhanced DA services such as:
  - “call completion” service that connects the caller directly to the number.
  - movie listings for local theatres, restaurant reservations, driving directions and other information in addition to providing telephone numbers.

## **FCC Retail DA Proceeding**

### **Retail DA Competition In The U.S.**

- Implementation of 555 numbers for retail DA competition is the best way to jump-start competition in the retail DA market.
- Elimination of the US default codes – 411 & 555-1212 – is a prerequisite to competition.
- Consumers will readily adapt to using 555 numbers. They are already familiar with the use of 555 numbers for information services.
- ILECs already route 555 numbers – therefore, a 555 solution would not be administratively or technically burdensome.
- Over eight years ago, the Commission adopted a decision that entities other than LECs should be able to use national and regional 555 numbers.

# **FCC Retail DA Proceeding**

## **411 Presubscription and Other DA Proposals** **Will Not Result in Competitive Benefits**

- 411 Presubscription:
  - Imposes significant technical and administrative burdens on LECs, competitive providers and consumers.
  - Is expensive and time-consuming.
  - Preserves much of the incumbent provider's advantage in the retail DA market.
- Other DA Proposals:
  - 411XX/411XXX. This proposal attempts to preserve some vestige of 411, but would result in consumer confusion and require more education than 555 implementation. In addition, this option would be more difficult to implement because 5-digit and 6-digit numbers are not a standard string in the U.S.
  - Carrier Access Codes (101XXXX). This proposal also would cause consumer confusion because 101XXXX numbers are associated with "dial around" long distance services. Use of CACs potentially would exclude business users from the retail DA market because many PBXs are programmed to block 101XXXX numbers.

## **FCC Retail DA Proceeding**

### **Competitive Retail DA Service - The Time Is Now**

#### ➤ The U.K. Model:

- In September 2001, Oftel ordered the withdrawal of the DA default code 192.
- Oftel introduced new access codes (118-NXX) for all DA providers, which were awarded via lottery.
- InfoNXX is investing millions of dollars in the UK retail DA market and competing against other DA providers.

#### ➤ Background:

- Oftel conducted consumer studies and found that consumers were ambivalent to the 192 default code.
- Oftel determined that introducing a new sequence for all DA providers was the only way to successfully promote competition in the retail DA market.